

SPAN d.d.

Supervisory Board

Pursuant to Articles 263 and 300 c of the applicable Companies Act, and Article 16 of the Articles of Association of Span d.d. for the design of information systems, with its registered office in Zagreb, Koturaška cesta 47, OIB 19680551758 (hereinafter: the Company), the Supervisory Board of the Company submits to the General Assembly of the Company the following

## **SUPERVISORY BOARD REPORT ON THE MANAGEMENT OF THE COMPANY**

**I.** The Supervisory Board of the Company was established after the transformation of the Company from a limited liability company into a joint stock company on 13 December 2019.

The Supervisory Board of Span consisted of five members in 2024:

1. Ante Mandić, President of the Supervisory Board;
2. Aron Paulić, Vice President of the Supervisory Board;
3. Ivana Šoljan, Member of the Supervisory Board;
4. Mirjana Marinković, Member of the Supervisory Board;
5. Barbara Gradečak, Member – employees' representative in the Supervisory Board.

Term of office of the Members of the Supervisory Board (under 1 to 4) lasted until 30 September 2024.

At the General Assembly that took place on 18 June 2024, the following were re-elected as the Members of the Supervisory Board of Span d.d. for a new four-year mandate, until 30 September 2029:

1. Ante Mandić,
2. Aron Paulić,
3. Ivana Šoljan,
4. Mirjana Marinković.

At the inaugural meeting of the Supervisory Board held on 1 October 2024, Mr. Ante Mandić was appointed as the President of the Supervisory Board, and Mr. Aron Paulić was elected Vice-President of the Supervisory Board. Mrs. Barbara Gradečak's term of office as employees' representative lasts for four years, from 29 December 2023, when she was elected, to 29 December 2027.

Independent members account for 80% of the members of the Supervisory Board.

Members of the Supervisory Board are appointed for a maximum of 4 years. Powers of the Supervisory Board are defined by the provisions of the Companies Act, Company Articles of Association and Rules of Procedure of the Supervisory Board.

Within the framework of their competence, the Supervisory Board makes decisions, evaluations, opinions, gives approval of decisions made by the Management Board which was provided for by Rules of Procedure, legislation or Articles of Association, gives orders to auditors and together with the Management Board determines decision proposals which are made by the General Assembly.

The Supervisory Board of the Company supervised the legality of the work, keeping business books in accordance with the regulations, discussed, analysed and accepted the information of the Company's Management regarding the overall situation in the Company.

- The Supervisory Board held 5 (five) meetings where it adopted the Annual work plan for 2024, Business plan/budget for 2024, and it assessed the work of the Management and the Supervisory Board for 2023. The Supervisory Board adopted the Annual plan for internal audit and Plan of the selected auditor of Span Group for 2024, reviewed and determined the Annual Financial Statements compiled by the Management Board, and the decision on the distribution of profits, auditor's report composed by the audit company Deloitte d.o.o. and Reports on the remuneration of the Management Board and the Supervisory Board. Based on the recommendation of the Audit Committee, the Supervisory Board proposed to the Assembly to appoint Deloitte d.o.o. as the auditor of Span Group for 2024., as well as to appoint members of the Supervisory Board for a new four-year mandate. The Supervisory Board adopted the Decision on the election of the President and the Members of the Management Board for a new five-year mandate. The cooperation between the Supervisory Board and the Management Board was assessed positively.
- At the meetings, the attendance of members was recorded at 96%. All the members of the Supervisory Board were present at all meetings, except for Ivana Šoljan, who attended 4 out of 5 meetings.
- The Supervisory Board decided by correspondence five times in 2024, when it decided on the approval of contracts with associated entities, gave prior consent for the Share Buy-Back Program, and approved the Questionnaire about the management practice and Questionnaire about compliance for issuers.

- The Supervisory Board carried out self-evaluation of the profiles and competences of the members of the Supervisory Board and members of its committees where all the circumstances referred to in Article 41 of the Code were evaluated. The self-evaluation was conducted by the Vice President of the Supervisory Board without engaging an external auditor. The Supervisory Board determined that its composition and profile, as well as the composition and profile of its committees, correspond to the needs and activities of the Company. There were no recommendations since it has been established that all the members of the Supervisory Board and its committees possess knowledge, abilities and professional experience required for decision-making in all the issues that were on the agenda at the meetings of the Supervisory Board and its committees, all the members of the Supervisory Board (except for the employees' representative) are independent, and the level of women's representation being at 60% was evaluated as above average. Administrative support when preparing meetings of the Supervisory Board is provided by the Secretary of the Company in an effective and timely manner.
- The Supervisory Board of the Company was informed by the Management Board in a proper, timely and transparent manner about all crucial issues concerning the operation of the Company and companies dependent on it, which are important for the existence of the Company. The cooperation between the Supervisory Board and the Management Board was assessed positively.
- No other payments, apart from the fee for their work in the Supervisory Board, were made to the members of the Supervisory Board in 2024.

**II.** The Supervisory Board of Span founded the Audit Committee and the Nomination and Remuneration Committee.

**The Audit Committee** performed tasks in line with the Audit Act, the Regulation (EU) 537/2014, other positive regulations and the Rules of Procedure of the Audit Committee.

The Rules of Procedure of the Audit Committee of Span are available at the Company websites: [Rules of Procedure of the Audit Committee](#)

In 2024, the Audit Committee acted in the following composition:

- Ante Mandić – President
- Nataša Zelenika – Member
- Tomislav Skorin – Member
- During 2024, the Audit Committee held 3 (three) meetings where the recorded attendance of its members was 100%. During the meetings,

the Committee considered and adopted the Internal audit report for 2023 and the Annual work plan for 2024.

- The Audit Committee considered and gave recommendations to the Supervisory Board to adopt the annual financial statements and consolidated annual financial statements of Span Group, along with a report on the condition of the Company and affiliates, with the reports of the authorized auditor, Deloitte d.o.o. for 2023. The Audit Committee gave recommendation to the Supervisory Board to adopt a submitted proposed Decision on appointing the auditor for 2024, appointing Deloitte d.o.o. as the auditor of the Group, and refer it to the General Assembly for decision-making, where the proposal was adopted. The Committee adopted the Annual plan for audit for 2024, as well.
- The Audit Committee evaluated the effectiveness of risk management and the internal control system, the status of the personal data protection system, procedures for approval and announcement of transactions between members of the Management Board or the Supervisory Board and the Company (or persons related to any party) and effectiveness of the procedure for reporting irregularities and its application.
- The Audit Committee regularly presented its conclusions and recommendations to the Supervisory Board.

**The Nomination and Remuneration Committee** performed tasks specified in the Decision of the Supervisory Board on establishment of the Nomination and Remuneration Committee and provisions of the Rules of Procedure of the Committee, which are available at the websites of the Company: [Rules of Procedure of the Nomination and Remuneration Committee](#).

In 2024, the Committee acted in the following composition:

- Aron Paulić – President
- Hana Horak – Member
- Lucia Ana Tomić – Member

The Committee held 4 (four) meetings, which were attended by all the members.

The Nomination and Remuneration Committee determined the proposed goals of the Company for 2024, and key performance indicators (KPI) in order to determine the annual bonus for the Management Board, which was referred to the Supervisory Board and adopted, and also determined fulfilment of goals in order to determine the amount of the annual bonus for the Management Board for the previous year. It supervised the amount and structure of remuneration for the senior management and employees as a whole and gave a positive assessment and recommendations to the Management Board concerning the latter's policies. It also assessed the composition, size, membership and quality of work of the Supervisory Board. It determined the

proposal of the Report on Remuneration of the Management Board and Supervisory Board for 2023. At an emergency meeting, the Committee gave its positive opinion for the proposal of members of the Management Board of the Company for a new five-year mandate, and recommended to the Supervisory Board to adopt the submitted proposal. The percentage of female members in the proposed and adopted composition of the Management Board was 33%, in line with the provisions of the Directive on improving the gender balance among non-executive directors of listed companies. The Nomination and Remuneration Committee notified the Supervisory Board on a regular basis on recommendations adopted at its meetings and submitted annual reports on their work to the Supervisory Board.

**III.** The Supervisory Board carried out self-evaluation of the profiles and competences of the members of the Supervisory Board and members of its committees where all the circumstances referred to in Article 41 of the Code were evaluated. The self-evaluation was conducted by the Vice President of the Supervisory Board without engaging an external auditor. The Supervisory Board determined that its composition and profile, as well as the composition and profile of its committees, correspond to the needs and activities of the Company.

The percentage of female members in the Supervisory Board, which consists of a total of five members, was 60% and the level of women's representation was evaluated as above average.

The Management Board evaluated its effectiveness and the individual members' effectiveness, and communicated its conclusions to the Supervisory Board. The Supervisory Board of the Company was informed by the Management Board in a proper, timely and transparent manner about all crucial issues concerning the operation of the Company and companies dependent on it, which are important for the existence of the Company.

III. In the period from 1 January 2024 to 31 December 2024, in accordance with the authorizations established by the provisions of the Companies Act and the Company's Articles of Association, the Supervisory Board supervised the legality of conducting the Company's affairs, keeping business books in accordance with regulations and applying responsible business conduct in accordance with the principle of business practices important for the survival of the well-being and protection of the interests of the Company.

Based on the provisions of Article 300 b of the Companies Act, the Company's Management Board submitted unconsolidated and consolidated financial statements of the Company and its subsidiaries – Span Group, which include the Annual Report of the Management Board, the Report of the independent auditor Deloitte d.o.o., Statement of comprehensive income, Statement of

financial position, Statement of changes in equity, Statement of cash flows and notes to the financial statements and a proposal for a decision on the distribution of profits generated from operations in 2024.

The Supervisory Board examined the annual financial statements for the year 2024 prepared by the Management Board and the proposal for a decision on the use of the profit reported for the year 2024.

At the same session, the Supervisory Board examined the auditor's report prepared by the audit company Deloitte d.o.o., which revised the annual financial report for the 2024 business year, after it was examined by the Company's Management.

In terms of Article 300 d of the Companies Act, and based on the review of financial and other relevant business documents, the Annual Report on the State of the Company and Affiliated Companies for 2024 (Management Report), together with the Statement on the Application of the Corporate Governance Code, and based on the auditor's report and other documentation that was presented to the Supervisory Board, the Supervisory Board concluded the following:

- Span d.d. acts in accordance with the Act, and acts of the Company, as well as the decisions of the General Assembly of the Company;
- Annual financial statements (consolidated and non-consolidated) are prepared in accordance with the balance in the Company's business books and faithfully depict the Company's property and business situation;
- The Supervisory Board has no objections to the submitted audit report based on financial statements (consolidated and non-consolidated);
- The Supervisory Board has no objections to the submitted Annual Report on the State of the Company and Affiliated Companies for 2024 (Management Report), together with the Statement on the Application of the Corporate Governance Code.

In accordance with such a finding, the Supervisory Board agrees with the annual financial report for 2024 and the auditor's opinion whereby, based on Article 300 d of the Companies Act, the Management Board and the Supervisory Board determined the Company's annual financial reports.

The Supervisory Board agrees with the Annual Report on the State of the Company and Affiliated Companies for 2024 (Management Report), together with the Statement on the Application of the Corporate Governance Code.

The Company's Management presented to the Supervisory Board a proposal for a decision on the use of profits for the business year 2024. The Supervisory Board agrees with the proposed decision of the Company's

Management Board and will send such proposed decision to the General Assembly of the Company for adoption.

**IV.** As a result of the above, the Supervisory Board proposes to the General Assembly to take note of the Annual Financial Reports for 2024, the Annual Report on the State of the Company submitted by the Management Board, and this Report of the Supervisory Board on the supervision of the Company's operations and, accordingly, to make a decision on granting discharge to the members of the Management Board and the Supervisory Board of the Company for the year 2024 and other decisions within their jurisdiction in accordance with the proposals of the Management Board and the Supervisory Board.

Based on the recommendation of the Audit Committee, the Supervisory Board proposes to the General Assembly the appointment of Deloitte d.o.o. as the auditor of Span and Span Group for the year 2025 and 2026.

President of the Supervisory Board

Ante Mandić